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" (h) The grants were sanctioned as the Government were satisfied, after an examination of the University's finances, and its requirements, that the schemes concerned could not be financed from the income of the University."

11-45 a.m. SRI R. SURYANARAYANA RAO:—" May I know if, in spite of the large amounts at the disposal of the University, the Government still felt that its financial position was so bad that they should go to its help? "

THE HON. SRI K. MADHAVA MENON:—" The University could not spend from out of its capital resources like the endowment fund and the interest from the endowment fund is not sufficient to meet the recurring requirements."

SRI R. SURYANARAYANA RAO:—" Have the Government satisfied themselves that a large amount out of the recurring income is not being put into different funds not required by the statute? "

THE HON. SRI K. MADHAVA MENON:—" I am not sure of that."

Alleged seizure of paddy in Kancheepuram taluk.

* 80 Q.—SRI P. S. SRINIVASAN: Will the Hon. the Minister for Food be pleased to state—

(a) whether it is a fact that a lorry load of paddy belonging to a big landowner in the Kancheepuram taluk was seized by the authorities and kept in a village chavadi for a night; and

(b) whether the same was released after he got a letter alleged to have been given by the District Wholesale Co-operative Stores that the paddy was intended to be sold to them later on?

THE HON. SRI J. L. P. ROCHE VICTORIA:—" (a) No.

" (b) Does not arise in view of the answer to clause (a) above."

Article under " Side Lights " published in the Swatantra *of 3rd December* 1949.

* 70-D Q.—SRI B. BHIMA RAO: Will the Hon. the Premier be pleased to state—

(a) whether he has perused the correspondence relating to the purchase of a motor vehicle by an Assistant Secretary of the Madras Government published in the *Swatantra* of 3rd December 1949;

(b) whether the correspondence published is correct;

(c) which officer of the Government confirmed the sale of the motor vehicle to the Assistant Secretary; and

(d) whether there is any rule in the Government Servants' Conduct Rules or elsewhere, prohibiting the officer of the Secretariat from purchasing the properties of the Government in such circumstances?

THE HON. SRI B. GOPALA REDDI (on behalf of Hon. the Premier):—" (a) The correspondence in question has been brought to the notice of the Hon. the Premier.

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"(b) The Government can answer only in respect of correspondence emanating from, or received in, their offices. Documents numbered I, II and III on pages 42–43 of the *Swatantra*, dated 3rd December 1949, are reproduced correctly.

"(c) The sale of motor vehicle was ordered by Government themselves. No officer need, therefore, confirm the sale.

"(d) None."

SRI R. SURYANARAYANA RAO:—"May I know whether there is no rule in the Government Servants' Conduct Rules that if a Government servant wants to purchase or sell any of his effects such as movable and immovable properties, like a motor car especially when it is purchased from Government, he should take the permission of the Government?"

THE HON. SRI B. GOPALA REDDI:—"The hon. Member may please see the answer to clause (d) 'whether there is any rule in the Government Servants' Conduct Rules or elsewhere, prohibiting the officer of the Secretariat from purchasing the properties of the Government in such circumstances'. The answer is 'None'."

SRI P. R. K. SARMA:—"May I know whether the Government disposed of the car after advertising it and calling for offers or did they dispose of it arbitrarily?"

THE HON. SRI B. GOPALA REDDI:—"It was twice advertised in the newspapers."

SRI P. R. K. SARMA:—"May I know whether recently a car was sought to be disposed of in the Motor Works privately without calling for offers?"

THE HON. SRI B. GOPALA REDDI:—"I have no information."

SRI B. BHIMA RAO:—"Are not the Government aware that in respect of court sales, pleaders, pleaders' clerks and others connected with the sale are prohibited from purchasing the property there? Should not such a procedure prevail in Government offices also?"

THE HON. SRI B. GOPALA REDDI:—"Not being a lawyer, I do not know what happens in law courts. But as far as the Government Servants' Conduct Rules are concerned, there is no such prohibition."

SRI B. BHIMA RAO:—"Will the Government consider the suggestion to insert such a rule so that such instances may not recur?"

THE HON. SRI B. GOPALA REDDI:—"What is the circumstance that has occurred necessitating that? There is no loss to the Government. It was advertised twice; there was no offer in the first instance; in the second instance there was an offer for Rs. 500. The Government have not been

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put to any loss and there is no suspicious circumstance and we do not consider that any new rule should be made to prevent the officers from doing this."

SRI B. BHIMA RAO:—"Sir, opinions differ. While the Government consider they have not sustained any loss, the public consider from the correspondence published that the Government have sustained a loss of Rs. 4,000 in the transaction. So, in order to prevent such injustices, I think it would be better for the Government to frame such a rule."

THE HON. SRI B. GOPALA REDDI:—"The other gentleman wanted to knock it off for Rs. 500. It is not as if the offer was for Rs. 600 or Rs. 700 and the Government sustained a loss. He offered only Rs. 500 and the Assistant Secretary also offered Rs. 500. The other gentleman wanted to knock it off and otherwise, there is no suspicious circumstance."

SRI R. SURYANARAYANA RAO:—"May I know whether the Government accept the correspondence as correct? May I know whether they agree that at first they accepted the offer of Victor David & Co.?"

THE HON. SRI B. GOPALA REDDI:—"We only asked the company 'In case the offer is made to you, will you accept it?'"

SRI R. SURYANARAYANA RAO:—"Then, before the reply came, why did the Government think it necessary to withdraw the offer?"

THE HON. SRI B. GOPALA REDDI:—"There is no question of withdrawing the offer, Sir. It was advertised for a second time to see whether any more offers would be forthcoming and there was no condition that its offer would be accepted. We only asked in case the Government preferred to offer it to him, whether he would accept it because his offer was not accompanied by deposit money and the other conditions were also not fulfilled."

SRI R. SURYANARAYANA RAO:—"If the offer was not accompanied by deposit money and other conditions were not fulfilled, why should the Government have sent that communication to the Victor David & Co., asking whether they were willing to take the car?"

THE HON. SRI B. GOPALA REDDI:—"That is the only mistake we have committed. We ought not to have done so because it was not accompanied by deposit money, but we were very considerate to him to say whether he would accept it in case the Government proposed to offer it. If it is considered a mistake, I am prepared to accept the mistake on behalf of the Government."

SRI R. SURYANARAYANA RAO:—"I accept his answer, Sir. But may I know whether there is no provision in the Government Servants' Conduct Rules preventing Government servants from indulging in transactions of the kind reported?"

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THE HON. SRI B. GOPALA REDDI:—"Here again, this is a vehicle purchased in 1937 and according to the meter, it has run over 80,000 miles. It was in the use of the Government for over twelve years and we did advertise in the newspapers. No offer came and this Assistant Secretary offered Rs. 500. Again, it was re-advertised in the newspapers and only one offer came from this company for Rs. 500. I do not see why the Government should suspect any nefarious transaction in the matter."

SRI R. SURYANARAYANA RAO:—"I do not suspect any nefarious transaction. I only want to know whether the Government servant who purchased it for Rs. 500 was competent to sell it for a higher amount without the permission of the Government according to the Government Servants' Conduct Rules. That is the point at issue."

THE HON. SRI B. GOPALA REDDI:—"I have repeatedly said that it was an abandoned vehicle, condemned vehicle, it had been in the use of the Government for over twelve years, it was old, and it was not possible for the Government to trace whether the Assistant Secretary was going to keep it for himself or sell it away."

SRI B. BHIMA RAO:—"Did the Government think it was worth only Rs. 500? Are they not aware that it was sold afterwards for Rs. 4,500 by the Assistant Secretary?"

THE HON. SRI B. GOPALA REDDI:—"It was when the final transaction was concluded that the vehicle was taken away. But the other gentleman also wanted to knock it off for Rs. 500. Why don't you remember that fact? It was, therefore, a rivalry between these two gentlemen. Why should this House be troubled about it?"

SRI S. B. ADITYAN:—"Did the Government consult any expert in fixing the value of the vehicle at Rs. 500?"

THE HON. SRI B. GOPALA REDDI:—"We did consult our experts in the matter. We consulted the Provincial Transport Department and they did say that it could not fetch more than Rs. 500. If some gentleman foolishly purchased it for Rs. 4,500, is it the mistake of the Government?"

SRI S. B. ADITYAN:—"When the Government have estimated that it is not likely to fetch more than Rs. 500, even if the gentleman offers Rs. 4,500, is it fair on the part of the Government to sell it at that price?"

THE HON. SRI B. GOPALA REDDI:—"Even if he offers 15,000 rupees and if he is prepared to take it up, I do not think there is anything wrong in selling it to him."

JANAB ABDUL LATIF FAROOKHI:—"Sir, if there is not already a rule, will the Government be pleased to consider the necessity to insert a rule that Government servants should not enter into such transactions?"

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THE HON. SRI B. GOPALA REDDI:—" I do not know what exactly the hon. Member wants. Perhaps he means that abandoned things, scrap paper and condemned articles like furniture sold by Government should not be purchased by the Government servants. Is that the rule that he wants to be inserted? Suppose a furniture is broken and it is auctioned. Is it the intention of the hon. Member that no Government servant should purchase it? "

JANAB ABDUL LATIF FAROOKHI:—" The hon. Member Mr. Bhima Rao said that in court auctions, the agent and people connected with them should not make any offer. Therefore, it was suggested also that according to Government Servants' Conduct Rules, Government servants should not take part in these transactions, and the Hon. Minister said that there was no such rule. I wanted to suggest that if there was no such rule already, the Government might be pleased to insert such a rule in order to save Government servants from such unnecessary criticisms as are being levelled against them in this House."

THE HON. SRI B. GOPALA REDDI:—" Even otherwise, we will insert, if necessary. Government servants are always exposed to unnecessary criticisms. It is not as though they can save themselves from unnecessary criticisms by the insertion of a rule. If we find it necessary, we will certainly insert it."

SRI S. B. ADITYAN:—" Are the Government aware that there was really no sale for Rs. 4,500 by the Assistant Secretary and that it was all a fabrication? "

THE HON. SRI B. GOPALA REDDI:—" I do not know what happened after we disposed it off for Rs. 500 to the Assistant Secretary."

UNSTARRED QUESTIONS.

Decisions taken on the recommendations of the Retrenchment and Re-organization Committee.

6. *Q.*—SRI R. SURYANARAYANA RAO: Will the Hon. the Minister for Finance be pleased—

(*a*) to place on the table of the House a statement giving particulars of the decisions taken on the various recommendations of the Retrenchment and Re-organization Committee since the last statement was placed with reference to question No. 293 answered on 22nd April 1949; and

(*b*) to state whether there are other proposals besides those already taken to effect retrenchment in the expenditure of Government, and if so, what they are?

A.—(*a*) The statement last placed on the table of the House has been brought up to date with reference to the orders since issued by the Government and copies of the revised statement [a] are now placed on the table of the House.

[a] Printed as Appendix IV on pages 848–915 infra.